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# INTERIM

A REPORT OF INTERIM ACTIVITY . . . MONTANA LEGISLATIVE COUNCIL . . . HELENA

JUNE 1978

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PLEASE RETURN TO

LEGISLATIVE COUNCIL

COUNCIL TO  
MEET JUNE 19

The Legislative Council will meet June 19. The agenda includes a number of items relating to ongoing business. Among the items of interest will be further discussion of the budget for the next biennium, a discussion of the policy on taking bill drafting requests before the general election, and a staff report on the progress of interim studies being conducted with Council staff assistance.

STATE

LEGISLATION

## INTERIM SUBCOMMITTEES

WATER RIGHTS

The Subcommittee on Water Rights will meet June 3 to finalize a preliminary draft of legislation to establish a system of water judges and require filing of existing water rights within a four year period. The draft legislation will then be available for distribution and critical comment before the final committee meeting which is tentatively set for August 4 and 5. Legislators who are not on the mailing list and desire to review the committee proposal before the final meeting should contact the Legislative Council office and request a copy.

HUMAN SERVICES  
COMMITTEE TO  
MEET JUNE 23

At its May 5 meeting the Interim Committee on Human Services reviewed, and provisionally accepted proposed legislation to:

- 1) create a permanent human service oversight committee, and
- 2) request human service agencies to develop
  - a) one stop service centers,
  - b) multi-purpose caseworker and

- team management,
- c) collocation of agencies, and
- d) information and referral systems.

On June 23 the committee will review legislation abolishing the Department of Institutions. The committee will also meet with individuals from the mental health field to discuss the lack of cooperation between Warm Springs and other mental health organizations.

SUBDIVISIONS  
COMMITTEE TO  
MEET JUNE 30

The Subcommittee on Subdivisions will meet on Friday, June 30 at 9:00 a.m. in room 432 of the Capitol. At that meeting the subcommittee will consider draft legislation on several issues concerning subdivision development and regulation and provision of services to subdivisions. The draft legislation will be circulated to interested persons and organizations on the mailing list prior to the meeting.

STATE LEGAL  
SERVICES AND  
ELECTION LAWS  
TO MEET  
JUNE 26

The Subcommittee on State Legal Services and Election Laws will meet June 26 to further review a draft revision of the election laws being produced by the committee and finalize draft legislation to create a legal services review board. Drafts will be available for review prior to the final meeting of the committee, which has been tentatively set for the first week in August.

EDUCATION  
COMMITTEE TO  
MEET JUNE 24

The next meeting of the Interim Subcommittee on Education will be June 24, 1978. The meeting will begin at 9:30 a.m. in room 413, State Capitol, Helena. The subcommittee's morning discussion will focus on vocational education governance and explore a governance structure comprising elected vocational-technical district boards and the board of regents. There will be an opportunity for public response to the discussion model. Consideration of the community college governance study will follow. In the afternoon, the subcommittee will discuss the historic records study. Topics will include the state antiquities act, the financial status of the Montana Historical Society, and the legal status of the Veterans' and Pioneers' Memorial Building.

## ADMINISTRATIVE CODE COMMITTEE

MEETING  
SCHEDULED  
JUNE 24

The Administrative Code Committee will meet June 24 at the Heritage Inn in Great Falls. The meeting will commence at approximately 1:00 p.m. following the business meeting of the State Bar of Montana.

## COAL TAX OVERSIGHT COMMITTEE

MEETING  
HELD

The Coal Tax Oversight Committee met May 19 to discuss the coal tax protest and to continue its oversight of programs funded by coal tax revenue.

Representatives from the Governor's office and the Attorney General's office appeared before the committee to detail the plans for the coal tax defense.

The chairman of the Coal Board brought the committee up-to-date on Board actions. After much discussion, the committee recommended that the Coal Board continue its grant program "without regard to any protest or law suit by the coal companies". The committee also passed a resolution urging that any federal impact money which becomes available to the state be administered by the Coal Board to avoid duplication with the state impact program. The committee received a progress report on the coal impact study being funded by the Coal Board and recommended that the project director seek more input from citizens in the coal area and areas likely to be affected by coal development.

WORKING  
SESSION  
JULY 14

In the afternoon, the committee discussed with the state directors of the Small Business Administration and the Farmers Home Administration how investment of a portion of the coal tax trust fund in these federally guaranteed programs could increase opportunities for small businesses and farming in the state. The committee plans to hold a working session July 14 to discuss the details of its investment study and to begin to formulate its final report.

## REVENUE OVERSIGHT COMMITTEE

### MEETING HELD

The Revenue Oversight Committee met May 11. The committee discussed several current problems of tax administration, including the reappraisal of commercial buildings, liquor control statutes, and the coal tax protest. Governor Thomas Judge appeared to inform the committee that the coal taxes paid under protest would be spent in the normal manner. He and Mike McGrath, Assistant Attorney General, detailed the legal defense the state was preparing on the case.

The committee also continued its studies, receiving information on timber taxation, severed mineral rights, and motor vehicle fees. In the afternoon, the Montana Bankers Association presented a study that it had commissioned and recommended a bill revising the method of taxing financial institutions to the committee. The committee also considered a research report on income tax indexing.

### NEXT MEETING MID-JULY

The committee will meet in mid-July to begin working on final reports and bills.

## LEGISLATIVE AUDIT COMMITTEE

### MEETING

The Legislative Audit Committee met May 11 at the State Capitol and will meet again on June 26.

### REPORTS ISSUED

The Legislative Audit Committee received, reviewed, and filed the following financial/compliance audit reports: Department of Administration--Treasury Division,\* Department of Labor and Industry--Employment Security Division,\* and Warm Springs State Hospital -- supplemental report on reimbursements. (\*Audits conducted by the Office of the Legislative Auditor. Other audit conducted by a certified public accountant firm.)

### CONTRACT AUDITS

The Legislative Audit Committee awarded 11 contract audits to eight certified public accountant firms. The contracts totaled \$213,634.

### SECURITY

The committee requested that the Legislative

Auditor's Office determine the security measures implemented to protect state art work at the Historical Society.

SUNSET

The Legislative Audit Committee heard testimony during the public hearing relating to the sunset audit report, Board of Abstracters. Recommendations will be formulated at the next meeting for continuation, modification, or termination of the board.

REPORTS  
AVAILABLE

From the Office of the Legislative Auditor, Room 135, Capitol, Helena, Montana 59601; Telephone (406) 442-3122.

LEGISLATIVE FINANCE COMMITTEE

The committee met on May 12 and 13 and heard several staff reports and presentations from executive agencies.

UNIVERSITY  
REPORTS

The staff presented two reports concerning financial issues of the university system. The first report dealt with funding scholarships and fellowships and analyzed costs of scholarships this fiscal year. The staff also reported to the committee several difficulties in reviewing budget amendments of the university system. The problems outlined include: budgets as defined in the appropriations act have not yet been submitted for the present fiscal year; amendments are not approved by the regents as required; budget amendment criteria are not met; spending authority has been increased contrary to regent action and expenditure authority is being transferred between line-items contrary to provisions of law.

FOSTER  
CARE

The committee, at its previous meeting, had requested the staff to research cost increases of non-family foster care institutions compared to family foster care. The staff report outlined annual cost increases of up to 44% in the "institutional" care facilities, while family rates were frozen since 1975.

BUDGET  
AMENDMENTS

The committee heard an update of budget amendment spending. Since July 1, 1977, a total of \$31.5 million and 456 FTE employees have been added by budget amendment. These funds are mostly federal funds that were not

available for legislative consideration.

OTHER  
PRESENTA-  
TIONS

The committee heard presentations from the department of institutions on accountability of mental health centers; the budget office on the upgrading of the state accounting system; the attorney general's office on moving the law academy; and the department of administration on the inordinate pay increases granted blue collar employees.

NEXT  
MEETING

The committee will meet next on July 13 and 14.

REPORTS  
AVAILABLE

Staff reports and committee minutes can be obtained by writing the Legislative Fiscal Analyst's office or calling 449-2936.

ENVIRONMENTAL QUALITY COUNCIL

MEPA  
GUIDELINES  
TO BE  
REVIEWED

The EQC staff is working with the newly reconstituted Montana Commission on Environmental Quality (MCEQ) to revise guidelines for the implementation of the Montana Environmental Policy Act (MEPA). EQC will prepare draft guidelines which will be available to legislators and the public. After comments are received and appropriate changes made, the staff will submit the guidelines to the Council for approval.

The MCEQ hopes to promulgate revised MEPA rules by the middle of the summer.

SHORE  
RESIGNS,  
POSITION  
OPEN

Eileen Shore has resigned as EQC's staff attorney to take a position with the Public Service Commission. Terry Carmody, EQC Executive Director, is accepting applications for an Ecology Researcher until June 9, 1973. Applicants should have a background in the natural sciences.

ENVIRONMENTAL QUALITY COUNCIL  
LEGISLATIVE FISCAL ANALYST'S OFFICE





